

MINISTRY OF ENERGY

**TREASURY BOARD / MANAGEMENT
BOARD of CABINET SUBMISSION**

**PROCUREMENT OF ADVERTISING SERVICES
ELECTRICITY COST REDUCTION CAMPAIGN**

Feb, 3, 2017

**CONFIDENTIAL
MINISTRY OF ENERGY**

**PROCUREMENT OF ADVERTISING SERVICES
ELECTRICITY COST REDUCTION CAMPAIGN**

1.0 MINISTRY REQUEST

The Ministry of Energy is requesting that Treasury Board/Management Board of Cabinet (TB/MBC):

- APPROVE an exemption from the mandatory requirements of the OPS Procurement Directive to acquire the services of Rain43, through direct assignment, from the Advertising Review Board's vendor-of-record.
- APPROVE the Ministry of Energy, through direct assignment, to acquire the services of Rain43 for the development of a public education campaign in the following amount:
 - \$1,500,000 between 2016-17 and 2017-18 for agency fees and production.
- NOTE the Ministry of Energy will return to TB/MBC to request the Chair of Treasury Board approve a transfer of funds to the Ministry of Energy from the Bulk Media Buy program in Treasury Board Secretariat to fully recover the costs for the above public education campaign.

2.0 PURPOSE OF REQUEST

The Ministry of Energy is seeking the services of an advertising agency. The supplier will develop a public education campaign. The campaign will increase awareness of Ontario's existing rate mitigation measures and new proposed electricity affordability plan. Due to urgent timelines, procurement of an agency with experience in the energy sector was necessary. A direct assignment to Rain43 for radio and digital advertising was secured through an Advertising Review Board. Rain43 is an Agency of Record. This request is to expand deliverables to include television broadcast media advertising with the same supplier, Rain43.

3.0 KEY CONTEXT

Over the last decade Ontario has rebuilt the transmission and distribution grid, invested in clean generation, and closed coal-fired power plants. These system upgrades have come at a cost to Ontarians through rising hydro bills that are top of mind concern for many Ontarians.

Ontario has heard these concerns and is taking action to make electricity rates more affordable. A high profile Premier's announcement to announce the plan is expected to happen in February 2017.

Supporting this announcement with a comprehensive print, television and radio campaign to get the word out is critical to ensure the hardest hit and most vulnerable low-income families in the province hear about all the programs that can help them pay their electricity bill.

In addition to the proposed new electricity affordability plan, there are many programs and measures to help reduce household electricity costs, including:

- an 8% rebate for homeowners and small businesses effective Jan 1, 2017
- enhancements to the rural rate reduction program providing savings of about 20%
- home energy audit and retrofit rebates with up to \$2,100 in incentives to help homes be more energy efficient
- the Ontario Electricity Support Program, offering an on-bill credit for eligible low-income households.

4.0 BACKGROUND

- Electricity prices have increased dramatically in recent years as Ontario has made investment to rebuild our grid and electricity system to ensure it is clean reliable.
- Although the government announced an 8% rebate effective January 1, 2017, the Premier and Minister of Energy have heard feedback through media coverage, written correspondence, stakeholder sessions and social media that 8% is not enough.
- The government has heard these concerns and is taking action to make electricity rates more affordable. A high profile Premier's announcement is expected to happen in February 2017.
- Supporting this announcement with a comprehensive print, television and radio campaign to get the word out is critical to ensure the hardest hit and most vulnerable low-income families in the province hear about all the programs that can help them pay their electricity bill.
- The communications objective is to increase awareness of Ontario's commitment to lower energy costs for ratepayers through new initiatives outlined in the plan to be announced by the Premier in February 2017.

- The ministry requires a nimble and creative advertising partner like Rain43 to develop and execute a television, radio and digital video pre-roll campaign that connects Ontario's energy policies, programs and rebates to a benefit for consumers.
- The selected supplier will be required to:
 1. Develop an integrated marketing campaign that aligns with existing communications on the energy plan, rebates and benefits to consumers.
 2. Be nimble, creative and flexible as timelines will likely be very aggressive.
 3. Collaborate with the contracted Ontario government media planning and buying agency of record, in the development of media strategies/recommendations.
 4. Develop and deliver all required creative executions in an accessible and easy-to-understand format.
 5. Translate creative executions into French and other required Roman and non-Roman languages.
 6. Provide ongoing, day-to-day support, as required by the Client, including preparation of materials for mandatory Auditor General approvals.

5.0 TIMING

Ontario has heard these concerns from Ontarians about high electricity rates and is taking action to make electricity rates more affordable. A high profile Premier's announcement is expected to happen in February 2017.

Supporting this announcement with a comprehensive print, television and radio campaign to get the word out is critical to ensure the hardest hit and most vulnerable low-income families in the province hear about all the programs that can help them pay their electricity bill.

The cost of the advertising campaign will be recovered from the TBS bulk media fund that has been approved by Cabinet Office.

6.0 FINANCIAL IMPACT

This advertising campaign will not impact the fiscal plan as it is being funded by the TBS bulk media fund. Proposed financial breakdown: \$1,500,000 between 2016-17 and 2017-18 for agency fees and production.

7.0 STAKEHOLDER ANALYSIS

- Letting Ontarians know about reductions to their electricity bill shows their comments have been heard and taken into consideration.

8.0 RISK ASSESSMENT AND MITIGATION

The quality of the campaign could be at risk due to very short timelines.

9.0 COMMUNICATIONS

Issue/Consideration	Mitigation Strategy
The agency has to produce a campaign under very short timelines. The quality of the work may be at risk due to timelines.	This is one of the reasons for proceeding with Rain43, an agency with experience producing high quality campaigns under short deadlines and high-pressure environments. Rain43 also has experience working in the energy sector and this will help them be more familiar with the project.

- Communications objective:
 - To demonstrate the government understands the impact of rising electricity rate;
 - To raise awareness of the rebates and initiatives in place to reduce electricity bills; and
 - To increase understanding of the electricity system, prices and energy supply.
- Media coverage and public opinion research indicates Ontarians feel prices are too high for electricity and many are struggling to pay their bills.
- Campaign strategy is high profile and province-wide.
- Tactics include Premier's announcement, digital radio, print and television advertising.
- Evaluation to measure public recall to gauge success of campaign and monitor hits to campaign website.

10. RECOMMENDATION

The Ministry of Energy is requesting that Treasury Board/Management Board of Cabinet (TB/MBC):

- APPROVE an exemption from the mandatory requirements of the OPS Procurement Directive to acquire the services of Rain43, through direct assignment, from the Advertising Review Board's vendor-of-record.

-
- APPROVE the Ministry of Energy, through direct assignment, to acquire the services of Rain43 for the development of a public education campaign in the following amount:
 - \$1,500,000 between 2016-17 and 2017-18 for agency fees and production.
 - NOTE the Ministry of Energy plans to return to TB/MBC to request the Chair of Treasury Board approve a transfer of funds to the Ministry of Energy from the Bulk Media Buy program in Treasury Board Secretariat to fully recover the costs for the above public education campaign.